

**From:** [michael.mcnulty@usdoj.gov](mailto:michael.mcnulty@usdoj.gov)  
**To:** [kira.dabby@lw.com](mailto:kira.dabby@lw.com); [KIRK.WILKINSON@lw.com](mailto:KIRK.WILKINSON@lw.com)  
**Cc:** [Cora.Lori](mailto:Cora.Lori@epa.gov)  
**Subject:** RE: Royal Policy Coverage -- confidential settlement communication  
**Date:** Tuesday, March 11, 2014 7:55:35 AM

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Yes.

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**From:** kira.dabby@lw.com [mailto:kira.dabby@lw.com]  
**Sent:** Monday, March 10, 2014 10:37 PM  
**To:** McNulty, Michael (ENRD); [KIRK.WILKINSON@lw.com](mailto:KIRK.WILKINSON@lw.com)  
**Cc:** [Cora.Lori@epa.gov](mailto:Cora.Lori@epa.gov)  
**Subject:** RE: Royal Policy Coverage -- confidential settlement communication

Michael,

Are you available tomorrow (Tuesday) between 11 and 12 EST (8-9 a.m. PST) or between 4-5:30 EST (1-2:30 PST)?

Thanks,  
Kira

**Kira S. Dabby**

**LATHAM & WATKINS LLP**  
885 Third Avenue  
New York, NY 10022-4834  
Direct Dial: +1.212.906.4595  
Fax: +1.212.751.4864  
Email: [kira.dabby@lw.com](mailto:kira.dabby@lw.com)  
<http://www.lw.com>

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**From:** McNulty, Michael (ENRD) [mailto:[Michael.McNulty@usdoj.gov](mailto:Michael.McNulty@usdoj.gov)]  
**Sent:** Friday, March 07, 2014 3:32 PM  
**To:** Wilkinson, Kirk (LA); Dabby, Kira (NY)  
**Cc:** [Cora.Lori@epa.gov](mailto:Cora.Lori@epa.gov)  
**Subject:** RE: Royal Policy Coverage -- confidential settlement communication

Kirk and Kira, is there a time early next week we can schedule a call to discuss the Gulf policy and clarify some issues related to the Hawaii site? We are still weighing the options on the Royal policies and will get back to you as soon as we can.

Michael McNulty  
Senior Trial Counsel  
Environmental Enforcement Section  
Environment and Natural Resources Division  
United States Department of Justice  
P.O. Box 7611, Ben Franklin Station  
Washington, DC 20044  
[michael.mcnulty@usdoj.gov](mailto:michael.mcnulty@usdoj.gov)  
202-514-1210

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**From:** [KIRK.WILKINSON@lw.com](mailto:KIRK.WILKINSON@lw.com) [<mailto:KIRK.WILKINSON@lw.com>]  
**Sent:** Monday, March 03, 2014 11:50 AM  
**To:** [Cora.Lori@epa.gov](mailto:Cora.Lori@epa.gov)  
**Cc:** McNulty, Michael (ENRD); [kira.dabby@lw.com](mailto:kira.dabby@lw.com)  
**Subject:** RE: Royal Policy Coverage -- confidential settlement communication

Lori:

The four Royal policies are from 1975-76 through 1978-79. They are \$500,000 per occurrence and \$5 million aggregate for the first two years, and appear to be \$1 million per occurrence and \$5 million aggregate for the last two years. So the occurrence limits total \$3 million, and the aggregate limits total \$20 million. They have a pollution exclusion, and Royal is participating in the defense of Dil Trust in Hawaii. Royal will expect a reasonable discount for the pollution exclusion, and a small discount for paying cash up front. Analogizing to the Gulf Policy, DIL Trust is planning to allow half of this coverage to remain available for Hawaii. Would EPA and DOJ support a demand of \$7 million and a settlement above \$2.5 million? We think with an anticipated cash contribution from Gulf, this would be a nice cash start to the Insurance Trust concept we have been discussing.

Please let me know so I can try to push this one forward at the same time we continue discussions with Gulf.

Thanks,

**Kirk A. Wilkinson**

**LATHAM & WATKINS LLP**  
355 South Grand Avenue  
Los Angeles, CA 90071-1560  
Direct Dial: +1.213.891.8234  
Fax: +1.213.891.8763  
Email: [kirk.wilkinson@lw.com](mailto:kirk.wilkinson@lw.com)  
<http://www.lw.com>

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**From:** Cora, Lori [<mailto:Cora.Lori@epa.gov>]

**Sent:** Wednesday, February 26, 2014 10:12 AM  
**To:** Wilkinson, Kirk (LA)  
**Subject:** Royal Policy Coverage

Hi, Kirk. Mike McNulty informed me of your recent conversation. We want to get back with you soon regarding a potential Royal settlement of coverage claims. Can you tell me if \$3 Million is the total policy aggregate limit under all Royal policies or the per occurrence limit?

On a related note, did you forward to us the complete copy of the Gulf Policy, if not could you provide a complete copy? Thank you very much.

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**Lori Houck Cora** | Assistant Regional Counsel  
**U.S. Environmental Protection Agency | Region 10**  
P: (206) 553.1115 | F: (206) 553.1762 | [cora.lori@epa.gov](mailto:cora.lori@epa.gov)

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